<https://www.obfs.uillinois.edu/bfpp/section-7-purchasing/section-7-6>

# 7.6 The University Purchasing Card (P-Card)

## P-Card Administration

The University of Illinois Purchasing Card (P-Card) is a charge card that may be used by University of Illinois System employees for point-of-sale purchases. Qualified supplies and/or small equipment costing less than $7,500 can be purchased with a P-Card. It is a system paid, system liability MasterCard™. The P-Card Web Solution™, also known as the P-Card software, is the system used to record and maintain P-Card user roles. Chrome River is the system used to process and maintain P-Card transactions.

All purchases on the P-Card must be compliant with system procurement, allowable expenditure and funding, payroll, and tax-related policies, as well as with all applicable state and federal statutes.

As designated by the Assistant Vice President and Controller, the Senior Director of University Payables (UPAY), and the Associate Director of UPAY Support Services, the UPAY Assistant Director of Support Services is assigned as the system-wide P-Card Administrator.

UPAY Card Services is the unit designated to manage the system P-Card Program. The Unit Head and Department Card Manager (DCM) assist with the implementation and oversight of the card program for the unit.

**P-Card Administrator**

* Develops the management plan, policies, and procedures to support UPAY Card Services functions.
* Confers with the System Purchasing and Support Services or the appropriate university Purchasing and Contract Management office (PCM) during the decision-making process for procurement issues, and with UPAY regarding payment issues.
* Directs day-to-day-operational activities of UPAY Card Services.

**UPAY Card Services**

* Coordinates with designated Department Card Managers (DCM) to oversee and administer the system's card programs.
* Receives electronic P-Card applications and the properly executed [P-Card Authorization Agreement and Application Information](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94699) forms.
* Verifies the completion of the required P-Card training and certification quiz by Cardholder, Manager Reviewer, Charge Code Reviewer (CCR), DCM, and/or Delegate.
* Submits approved P-Card applications to the issuing Bank.
* Processes and maintain in the P-Card Software:
	+ Cardholder profile
	+ New card applications
	+ Card status
	+ DCM assignment
* Performs help desk services and activities.
* Develops and delivers card program training.
* Oversees card program compliance with applicable policies and procedures.
* Acts as a liaison with the Bank and auditors.
* Conducts departmental visits with participating units.

**Department (Unit) Head**

The Unit Head is the employee responsible for making the administrative/financial decisions for the system unit. Examples of Unit Heads include President, Chancellor, Vice Chancellor, Chief Financial Officer (CFO), Assistant Vice President (AVP), Dean, Director, Executive Director, and/or Business Manager. This person performs or delegates the following tasks:

* Provides budgetary and compliance oversight for the unit's P-Card program.
* Reviews and reconciles monthly financial reports and statements.
* Identifies and authorizes employees who will be assigned as:
	+ DCM
	+ DCM Delegate
	+ Cardholder
* Implements unit P-Card procedures that follow sound business practices.
* Establishes checks and balances and maximum segregation of tasks.
* Reviews the procedures of [Inappropriate P-Card Use and/or Processing](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92162#inappropriate) section of P-Card policy.

## P-Card Training

All employees who are identified by their units as Cardholders, Manager Reviewers, Charge Code Reviewers (CCR), or as a Delegate for these roles must complete the P-Card training and pass the certification quiz prior to being assigned a role(s) in the P-Card software. Note: the department’s Unit Security Contact (USC) assigns roles in Chrome River.

An employee authorized to be a DCM or DCM Delegate must complete additional training before the role is established in the P-Card software.

## Requesting a P-Card

Employees who participate in the system P-Card program assume significant fiscal and ethical responsibilities. To request a P-Card, the [P-Card Authorization Agreement and Application Information](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94699) form must be completed and signed by the applicant, then submitted for approval to the Unit Head. The applicant must also complete the [P-Card Web-based training](https://www.obfs.uillinois.edu/card-services/p-card/training/) and pass the certification quiz. The DCM receives the P-Card Authorization Agreement and Application Information form, reviews information, verifies signatures, and emails it to UPAY Card Services. The original form is retained within the unit. The DCM must generate an electronic application in the P-Card software to validate the card request. All applicants must have a valid university mailing address, email address, and phone number in Banner HR. The university mailing address is where the P-Card is delivered and is also the billing address used to complete eligible purchases. The billing cycle for the P-Card is the 25th of the month through the 24th of the following month. The P-Card cycle limit is replenished at the beginning of each billing cycle.

Students, including graduate students, may not be issued a P-Card or be assigned a role in the P-Card program or software.

## P-Card Web Solution™ Software

The P-Card Web Solution™ Software (P-Card Software) is a web-based system used by the DCM to manage all P-Cards.

All units with one or more issued P-Cards must designate specific employees to function in the following roles:

* Department Card Manager (DCM)
* Cardholder
* Manager Reviewer\*
* Charge Code Reviewer (CCR)\*
* Delegate (optional role)

\*The department’s USC establishes these roles in Chrome River.

All employees who are identified by their units as Cardholders, Manager Reviewers, CCR, DCM, or as a Delegate must complete the P-Card training and pass the certification quiz prior to being assigned a role(s) in the P-Card software.

**Note:** Students, including graduate students, cannot be given access to the P-Card software nor be assigned the role of Manager Reviewer, CCR, DCM, or Delegate.

## P-Card Roles and Responsibilities

**Department Card Manager (DCM)**

**Role in P-Card software:**

* Performs all required DCM functions in the P-Card software (see [P-Card Job Aids](https://www.obfs.uillinois.edu/training/materials/card-services/)).
* Makes necessary changes to Cardholder information and/or existing roles.
* (Optional) Assigns a Delegate to perform DCM functions in the P-Card Software.

**Card Program Responsibilities:**

* Supervises, administers, and monitors the P-Card program for assigned unit(s), under the direction of the Unit Head.
* Requests new cards.
* Validates the P-Card Authorization Agreement and Application Information Form and/or P-Card Exception Request Form and ensure they are:
	+ Completed with appropriate authority level(s) signatures.
	+ Retained within the unit.
	+ Emailed to UPAY Card Services.
* Sets dollar limits for Cardholders based upon review of actual purchasing needs and responsibilities as follows:
	+ A single transaction limit (STL) up to the system maximum of $7,500.
	+ A monthly cycle limit (CL) according to three-tier maximums:
		- $7,500—default for newly-issued cards
		- $10,000
		- $15,000
		- An option for a CL between $15,000 and including $25,000 is available with a written justification from the Unit Head or DCM to UPAY Card Services.
	+ If a Cardholder requires higher dollar limit(s) above the $7,500 STL and/or $35,000 CL.
* Verifies and ensure all P-Card transactions are reconciled/processed to post in Banner in a timely manner, including transactions for employees who leave the system or change home unit.
* Ensures Cardholders have access to the P-Card software.
* Ensures an active employee is assigned to Manager Reviewer and CCR\* roles in Chrome River for Cardholders.
* Collects P-Cards and follow procedures for cancellation of P-Card privileges for employees who:
	+ Leave the unit or the system.
	+ No longer require a P-Card.
	+ Engage in excessive noncompliant use of the P-Card in accordance with the Inappropriate P-Card Use and/or Processing section of this P-Card policy.
* Notifies UPAY Card Services of employee departures or changes in home unit.
* Suspends P-Cards for employees on temporary leaves of absence, including but not limited to, maternity, medical, or sabbatical.
* Ensures that Cardholders, Manager Reviewers, CCR, and Delegates are properly trained and perform their duties.
* Reviews Cardholder transactions for compliance and takes appropriate actions as stipulated in the Inappropriate P-Card Use and/or Processing section of P-Card policy.
* Coordinates with UPAY Card Services to facilitate any reimbursements to the system in accordance to signed P-Card Authorization Agreement and Application Information form.
* Also serves as the unit's Travel Card (T-Card) DCM.

**P-Card Cardholder**

**Role in Chrome River:**

* Performs all required Cardholder functions in the P-Card Chrome River (see [P-Card Job Aids](https://www.obfs.uillinois.edu/training/materials/card-services/)).
* Creates an expense report in a timely manner that properly documents details and business purpose of each transaction P-Card.

**Card Program Responsibilities:**

* Signs P-Card Authorization/Agreement and Application Information form to acknowledge the responsibilities associated with using a P-Card.
* Makes purchases in compliance with all rules, regulations, policies, procedures, and guidelines that govern the purchasing activity. Cardholders are encouraged to use system's contracted vendor list available in the Procurement Contract Search.
* Abstains from loaning or sharing the P-Card, even with employees in the same unit.
* Provides shipping instructions to vendors when placing orders. Billing address is the university address where the P-Card is mailed.
* Obtains detailed receipts for each purchase that includes: vendor name, date, dollar amount, and an itemized description of the item(s).
* Provides Manager Reviewer with **original** detailed, itemized receipt for each P-Card transaction.
* Verifies receipt of items ordered and contact vendors regarding delivery problems, discrepancies, damaged goods, and/or returns.
* Ensures that refunds issued by a vendor are processed as credit transactions on the P-Card.
* Provides all documents related to a purchase; e.g., exception approvals, packing slips, Electronic Services Purchased by P-Card, etc., to appropriate unit personnel for retention.
* Notifies the Bank if the P-Card is lost or stolen. It is also recommended to notify UPAY Card Services, and if stolen, the appropriate university police department.
* Ensures purchases are for system projects or activities and they comply with any funding restrictions applicable to the accounting C-FOAPAL, including restrictions outlined for grants and contracts funds and gift and endowment income funds ([7.2 Purchase of Goods and Services](https://www.obfs.uillinois.edu/bfpp/section-7-purchasing/section-7-2); and [8.1 Allowable Expenses](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/#8.1)).
* Complies with the listing of [prohibited](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92162#prohibited-purchases) and [restricted](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92162#restricted-purchases) purchases.
* Emphasizes the system's tax-exempt status and exemption number when placing orders with Illinois vendors to limit payment of sales tax on purchases from vendors.
* Presents the system's [Tax Exemption Letter](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=93238) and/or Tax Exemption Identification Number (embossed on the P-Card) when making purchases from vendors registered in Illinois or in any of the reciprocal exemption states ([18.6 Sales and Use Tax/Goods and Services Tax](https://www.obfs.uillinois.edu/bfpp/section-18-taxes/section-18-6)).\*
* Abstains from "stringing," or making successive purchases to circumvent the P-Card single transaction limit, or to avoid the competitive bid requirement. P-Card will be revoked and account canceled after first incidence of “stringing” is determined.
* Abstains from splitting one transaction into several for one activity or occurrence; e.g., a deposit, a progress payment, and/or a balance payment.
* Facilitates the dispute process to resolve incorrect, unauthorized or fraudulent transaction.
* Abstains from making personal purchases.

\* Purchases from vendors outside of Illinois may or may not be exempt; some states or vendors may limit the products or services to which the exemption applies, in which case payment of sales tax must be documented.

**Manager Reviewer**

**Role in Chrome River:**

* Performs all required Manager Reviewer functions in Chrome River (see [P-Card Job Aids](https://www.obfs.uillinois.edu/training/materials/card-services/)).
* Checks Chrome River regularly for transactions awaiting review and approval.
* Reviews each expense report and with the original, detailed, itemized receipt within 23 calendar days of its appearance in the Chrome River, in order for the transaction to post in Banner for financial reporting.
* Checks and corrects, if necessary, the accounting C-FOAPAL used for each purchase.
* Assigns a Delegate to perform Manager Reviewer

**Card Program Responsibilities:**

* Verifies that purchases follow established unit and system policies, including those regarding purchase records retention.
* Validates that expenditures comply with any restrictions applicable to the C-FOAPAL, including gift and endowment income funds, and grant and contract funds.
* Initiates corrective action by contacting the DCM and UPAY Card Services when charges are inappropriate or inconsistent with any applicable policies and procedures.

**Charge Code Reviewer (CCR)**

**Role in P-Card Software (optional):**

* Performs all required CCR functions in the P-Card software (see [P-Card Job Aids](https://www.obfs.uillinois.edu/training/materials/card-services/)).
* Checks Chrome River regularly for items awaiting approval.
* Reviews the C-FOAPAL for each transaction and update if incorrect.
* Approves or disapproves transactions in Chrome River within three business days of reconciliation completion.
* (Optional) Assigns a Delegate to perform CCR functions in Chrome River.

**Responsibilities:**

* Verifies that purchases follow established unit, university, and system policies.
* Validates that expenditures comply with any restrictions applicable to the C-FOAPAL, including gift and endowment income funds, and grant and contract funds.
* Initiates corrective action by contacting the DCM and UPAY Card Services when charges are inappropriate or inconsistent with system policies and procedures.

## Restrictions for Assigning Multiple P-Card Chrome River Roles to One Employee

Some restrictions apply when assigning multiple roles to individual employee(s) in the P-Card Software:

* To ensure maximum segregation of responsibility, no one individual may function in all four roles (DCM, Cardholder, Manager Reviewer, and CCR).
* A Cardholder cannot hold the role of Manager Reviewer or CCR to process their P-Card transactions.
* A Cardholder cannot be assigned as a Delegate for the employee assigned as the Reconciler or Approver to process their P-Card transactions.
* Subject to the restrictions above, the Unit Head or DCM may hold the role of CCR or Manager Reviewer.
* Delegates for ALL roles are subject to all of the above restrictions.

## Purchasing Guidelines

Administrative controls and/or legal requirements place limitations on the use of the P-Card. The following list is **not** all inclusive. Participants should contact UPAY Card Services and/or review policy to assist in determining if a purchase is allowable. [8 Payments and Reimbursements](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/) also provides a list of unallowable expenditures from various fund sources.

**Prohibited Purchases**

P-Cards may not be used for the following items:

* Business Meals and/or refreshments for a specific event (allowable on the travel card (T-Card))
* Capital Development Board purchases
* Cash advances
* Catering
* Charter bus and charter air services
* [Chemicals](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=95000) as specified (specific precursor and chemicals/toxins not allowed for purchase with P-Card)
* Contracts(purchases for which the vendor requires an agreement or involves terms and conditions except as allowed under [Restricted Purchases](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92162#restricted-purchases)).
* Deposits—transactions that require a deposit involving terms and conditions
* Employee expenses while in travel status; travel status expenses include, but are not limited to:
	+ Airport shuttles
	+ Automobile rentals
	+ Baggage fees
	+ Insurance
	+ Laundry and dry cleaning
	+ Lodging, including reservations, and services
	+ Parking
	+ Per diem allowance
	+ Personal, rental, or system vehicle fuel
	+ Taxi cabs
	+ Tolls
* Fuels in bulk, including but not limited to: alcohol, ethanol, gasoline, diesel, kerosene, propane, fuel oil, aviation, and any other combustible liquid or gas. **NOTE:** Purchase of minimal fuel for work equipment (e.g., boats, tractors, etc.) is allowable.
* Furniture with a unit cost of $500 and above
* Gift certificates, gift cards, or cash-equivalent prepaid cards ([8.1.4 Determine the Allowability of Gifts, Prizes, and Awards to Individuals](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/determine-allowability-gifts-awards))
* House accounts; e.g., extension of credit by a vendor allowing the payment of goods or services over a period of time, or on a summary invoice or bill. **NOTE:** Utilities are exempt from this prohibition.
* Imported goods that must pass through customs
* Lab or specialty gases, including but not limited to: liquid or compressed nitrogen, helium, and oxygen
* Laminar flow fume hoods and biological safety cabinets
* Live animals
* Moving expenses ([8.11 Relocation Assistance](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/moving-reimbursements))
* Parking tickets, non-i-Pass prepaid tolls, or fines
* Payments for or on behalf of [Foreign Nationals](https://www.obfs.uillinois.edu/payments-foreign-nationals/)
* **Personal purchases of any kind**
* Personal electronic communication services and equipment, including but not limited to: cell phones and accessories, internet service provider (ISP), cable, satellite, On-StarTM, GPS devices, or any other service that is activated and/or billed in the name of the employee
* Prescription drugs and pharmaceuticals
* Professional and artistic services, including but not limited to: fees or expenses for attorneys, consultants, health-care providers, and independent contractors ([17.1 Consultants and Other Contractors for Services](https://www.obfs.uillinois.edu/bfpp/section-17-consultants-contractors/section-17-1))
* Purchases from business concerns of which an employee (or an employee's spouse, parent(s) or children) is a sole or principal owner, major officer, or primary employee
* Purchases from system employees, their spouses, parents, or children
* Radioactive materials
* Recombinant deoxyribonucleic acid (RDNA)
* Rental or lease of equipment or meeting space that is not system-owned, unless listed as an allowable contracted vendor listed on [Strategic Procurement—Contracts & Awards](https://www.obfs.uillinois.edu/purchases/strategic-procurements/contracts-awards) page.
* Trade-in of inventoried equipment
* Travel and lodging expenses for employees and non-employees, including students and guests of the system
* Vehicle purchases, reservations, or rentals, e.g., autos, trucks, and cycles
* Weapons, ammunition, or detonating equipment or material

**Restricted Purchases**

P-Cards can be used for the following items when corresponding requirements are met and appropriate funding is available. Related policies are noted where applicable to provide additional information on requirements and procedures before making any purchases from these categories:

* **Beverage and food equipment and supplies for public reception areas**—are allowable if the purchase is in compliance with ([8.1.3 Determine the Allowability of Specific Expenditures](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/determine-allowability-specific-expenditures)), and fully documented in the expense report.
* **Calling cards**—are allowable if the unit maintains a log of all calls made on the card and reports to Payroll any personal calls made.
* **Cell Phone Monthly Service—are allowable if purchased in accordance to guidelines established by the** System Purchasing and Support Services or the appropriate university Purchasing and Contract Management office (PCM) and policy [8.7 Cell Phone & Data Plan Business Expenses](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/cell-phone-data-plan-business-expenses). **NOTE:** the devices may not be purchased with a P-Card.
* **Computer software and electronic services**—are allowable if they meet the requirements of Restricted Items as outlined in [7.2 Purchase of Goods and Services](https://www.obfs.uillinois.edu/bfpp/section-7-purchasing/section-7-2). The term "electronic services" refers to software developed and hosted by a vendor which the end-user accesses over the Internet. Unlike traditional packaged applications that users install on their computers or servers, the vendor owns the software and runs it on computers in its data center. The customer effectively rents it, usually for a monthly fee. Prior to using a P-Card to purchase allowable software or electronic services with contracts (including “click-through” agreements), units submit to Card Services a [P-Card Exception Request](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=1229991#p-cards) and the [Software Purchased by P-Card](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94745) or the [Electronic Services Purchased by P-Card](https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=1500176). Once the P-Card Exception is approved the purchase may be made.
* **Conference fees**—use of the P-Card for conference fees is allowable only if there are no lodging expenses included in the cost.
* **Interdepartmental transactions**—are allowable for units that sell to external customers, including auxiliaries and activities; e.g., Campus Union Operations, system-owned bookstores, campus convenience stores, Conferences and Institutes, Division of Intercollegiate Athletics, and other system sponsored programs and events.
* **Material Transfer Agreement (MTA) payments under $4,999**—are allowable if the MTA was processed in accordance with the proper university MTA contract process and the MTA is fully executed PRIOR to making the payment. Chicago should consult the Office of Sponsored Programs; Urbana should consult UIUC Purchasing; Springfield should consult UIS Purchasing.
* **Memberships**—see [8.1.3 Determine the Allowability of Specific Expenditures](https://www.obfs.uillinois.edu/bfpp/section-8-payments-reimbursements/determine-allowability-specific-expenditures) for additional information.
* **Off-site repair of equipment**—are allowable if the amount of the repair is known in advance to be less than the Cardholder's maximum transaction limit and there are no terms and conditions.
* **Postage Stamps**—postage stamps for system mail are allowable from all funds. However, postage stamps purchased with state funds must be perforated with a Block "I" for identification purposes according to Illinois State Statute 30 ILCS 500/25-35. These perforated stamps are available for purchase at:
	+ Urbana—Campus Mail (54 East Gregory Drive- Printing Building) or online through [Illini Union Campus Mail](https://printing.illinois.edu/campus-mail)
	+ Springfield—Campus Services, Mail Department (Building Services Building, Room 139)

Non-perforated stamps are allowable only from institutional, gift and endowment, self-supporting (when related to the generation of the fund's revenue), and service plan funds.

* **Services—Only services involving labor and/or installation provided by vendors listed at University Contract Search.**
* **Signs**—are allowable if no installation is done by the vendor and if the unit has written approval in advance that the sign meets university and Americans with Disabilities Act (ADA) requirements. (At University of Illinois Chicago, obtain approval from Facilities Management; at University of Illinois Springfield, obtain approval from Physical Planning and Operations; at University of Illinois Urbana-Champaign, obtain approval from Project Planning and Facility Management).
* **Telecommunication equipment (other than phones or answering machines)**—is allowable if the unit receives approval for the purchase from the university telecommunications office. At University of Illinois Urbana-Champaign, **networking equipment (wired and wireless)** that must be connected to the university network requires approval by Technology Services Network Design Office (NDO) **prior** to purchase.
* **Tuition fees for employees and students, including graduate students (See Tuition Waiver Overview)—tuition is not allowed for a degree-seeking program.**
* **Typesetting, printing, and binding (including office forms)**—is allowable if the unit has complied with applicable portions of the Illinois Procurement Code and any university regulations governing such purchases ([7.2 Purchase of Goods and Services Printing Requirements](https://www.obfs.uillinois.edu/bfpp/section-7-purchasing/section-7-2)).
* **Uniforms—are allowable provided that they are for university job duties or events and will *not* be used for personal use.**

## Auditing Your Unit's P-Card Program

UPAY Card Services, as well as internal and/or external auditors, conduct periodic reviews of unit's P-Card use for compliance. Requests for transaction details and receipts can be submitted to a Cardholder and/or DCM for review. Noncompliant activity discovered during a review or reported to UPAY Card Services may impact Cardholder's and/or unit card program privileges. P-Card activity can be audited for the following reasons including, but not limited to:

* Using the card for [prohibited purchases.](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=92162#prohibited-purchases)
* Failing to provide documentation of purchases.
* Providing unacceptable documentation.
* Late submission of purchase documentation.
* Failing to reconcile transactions.
* Allowing the P-Card to be used by individuals other than the Cardholder.
* Splitting one transaction into several to cover one activity or occurrence.
* "Stringing" successive purchases to circumvent the single transaction limit or avoid the competitive bid requirement.

Cardholders who **misuse or fraudulently use** the P-Card are subject to investigation, disciplinary action, termination of employment, and may also be subject to criminal prosecution. The system can deduct any personal or non-system related P-Card charges from the Cardholder's wages.

## Inappropriate P-Card Use and/or Processing

Violations of P-Card policies, such as the examples listed in Auditing Your Unit's P-Card Program, or failure to reconcile and document purchase details in the designated software can result in consequences for Cardholders as well as for units.

**Unit Due Diligence**

When policy violations by a Cardholder are identified during the reconciling, approval, and/or the DCM review processes, the following procedures must be followed by the DCM and Unit Head, with discretion given to bypass the first and second incident notification and immediately cancel a card if warranted:

* **First incident of noncompliant activity**—a written warning notification is issued by the DCM to the Cardholder and copied to the Unit Head; a copy is placed in the file with the receipt(s) for the transaction(s); and a copy is emailed to UPAY Card Services. The notification must include details of the incident(s) along with the document identification number(s) for the transaction(s).
* **Second incidence of noncompliant activity\***—a written warning notification is issued by the DCM to the Cardholder and copied to the Unit Head; a copy is placed in the file with the receipt(s) for transaction; and a copy is emailed to UPAY Card Services. The notification must include details of the incident(s) along with the document identification number(s) for the transaction(s). UPAY Card Services will suspend the Cardholder's P-Card for the remainder of the current billing cycle through the next full billing cycle.
* **Third or more incidence noncompliant activity\***—a written warning notification is issued by the DCM to the Cardholder and copied to the Unit Head; a copy is placed in the file with the receipt(s) for the transaction(s); and a copy is emailed to UPAY Card Services. The notification must include details of the incident(s) along with the document identification number(s) for the transaction(s). Upon receipt and verification of continued non-compliance UPAY Card Services will suspend the Cardholder's P-Card for up to one year, or the P-Card account may be canceled.

\*Second or more incident notification is applicable if the activity is of the same type as the first. Example: Cardholder is issued a non-compliance notification for using the P-Card to rent an item. If Cardholder rents another item after receiving notification that the activity is not allowable, then additional notifications can be issued and the P-Card suspended or canceled accordingly.

**UPAY Card Services Due Diligence**

When a Cardholder's noncompliant activity is discovered, UPAY Card Services may impose the same actions cited in Unit Due Diligence above, including immediate suspension or cancellation of the Cardholder account. UPAY Card Services notifies the Cardholder and the DCM when a P-Card is canceled due to noncompliant activity. The DCM should notify the Unit Head accordingly. University Audits is also notified immediately if the situation warrants.

The system reserves the right to forgo any of these steps at any time and pursue the matter criminally.

In addition to Cardholder regulations for non-compliance, UPAY Card Services can impose restrictions on a unit's P-Card program for any of the following:

* Repeated incidences of noncompliance with any university, system, or business and finance policy by Cardholder(s) in the unit.
* Unreconciled transactions.
* Improper documentation of purchases by Cardholder(s) in the unit.
* Failure of the DCM to perform due diligence by reporting or addressing noncompliant activity.

The following actions may be initiated by UPAY Card Services upon discovery or reporting of repeated occurrences of noncompliant activity:

* UPAY Card Services will schedule a meeting with the DCM and/or the Unit Head to review the issue(s).
* Retraining employees who function in any of the P-Card Chrome River process will be conducted by UPAY Card Services at the unit level when necessary.
* The university Controller's office will be notified of the issue(s) and University Audits will also be engaged if the situation warrants.
* Failure to cease noncompliant activity will result in UPAY Card Services notification to the DCM and the Unit Head, and possible suspension of P-Cards for the entire unit for at least one full billing cycle, or cancellation of unit's card program.

## Exceptions

A [P-Card Exception Request Form](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=1229991#p-cards) is used to obtain approval to use the P-Card for an expense that is normally prohibited by a policy or is above a Cardholder's limit and no other procurement method can be used. Only the Senior Director of University Payables (UPAY) and P-Card Administrator or Delegate are authorized to approve exceptions to this P-Card policy. P-Card exception requests related to other policy sections will be routed for processing.

All P-Card exception requests must be submitted to UPAY Card Services using the [P-Card Exception Request Form](https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=1229991#p-cards). An exception is submitted and reviewed for an individual Cardholder. If approved, only the named Cardholder may use the P-Card to make the purchase. Information provided on the form must include the rationale and system business purpose for the exception. **Approval must be obtained prior to using the P-Card for the purchase.** Exceptions are not granted after the fact. Failure to submit the P-Card Exception Request for processing prior to using the P-Card for the expense can result in an audit finding/non-compliance. UPAY Card Services will notify the Cardholder, DCM, and/or the Requester of the approval or denial of the request.

Due to the complexity of some requests, an exception may require review by one or more unit(s) or employee(s) before making a determination. A minimum of 10 business days is required to ensure accurate and appropriate exception processing. If an exception is approved, a copy of the email notification must be placed in the unit's P-Card file for the transaction in support of the authorized purchase(s). Submission of a P-Card Exception Request form does not guarantee the expense will be approved for payment on the P-Card. The unit should be mindful of time constraints when an exception is being processed. Units can contact UPAY Card Services to help determine if an exception request is necessary for a purchase.

## Contact

UPAY Card Services manages the system's P-Card program. Contact UPAY Card Services for additional information about P-Card training, compliance, prohibited and restricted purchases, exceptions, and auditing or issues of inappropriate/fraudulent P-Card use, at: 217-333-6583, 888-872-9953, or email cco@uillinois.edu.

## Definitions

**Bank**—Bank of America is the financial institution that issues MasterCard® purchasing cards used for the system P-Card program.

**Banner**—The University of Illinois System’s system of record comprised of Student Administration, Human Resources, and Finance functionality. Transactions made with the P-Card post in Banner after being reconciled in the P-Card Software.

**Billing Address**—The university United States Postal Service (USPS) address where the P-Card is mailed.

**Billing Cycle**—The revolving period of time established for a Cardholder to obtain products and services with a P-Card from the 25th of the month to the 24th of the following month.

**C-FOAPAL**—The Banner finance accounting string, the C-FOAPAL is made up of Chart, Fund, Organization, Account, Program, Activity, and Location data. The Chart, Fund, Organization, Account, and Program segments are required to record a financial transaction.

**Cardholder**—A role in the P-Card program responsible for making purchases, in compliance with policies regarding system procurement, state and federal statutes, allowable expenditure and funding, payroll, and tax-related policies, with the issued P-Card. Also a role in the P-Card software. Requirement: Completion of the P-Card Authorization Agreement and Information form, P-Card Training, and subsequent passing of the certification quiz.

**Charge Code Reviewer (CCR)**—A role in the P-Card program to review and/or edit details of a transaction after it is reconciled and before it is uploaded in Banner. Also, a role in the P-Card Chrome River Requirement: P-Card Training and subsequent passing of the certification quiz.

**Delegate**—An optional role in the P-Card program set up by a Cardholder, Reconciler, Approver, and/or DCM to perform their assigned functions within the P-Card software. A Reconciler or Approver may not assign a Cardholder to be their Delegate if that will give the Cardholder access to reconcile or approve their own transactions. Requirement: P-Card Training and subsequent passing of the certification quiz.

**Department Card Manager (DCM)**—A role in the P-Card program responsible for administration, and maintenance of the P-Card program for a unit. Also a role in the P-Card software. Requirement: Unit Head authorization, DCM and P-Card Training, and subsequent passing of the certification quiz.

**Manager Reviewer**—A role in the P-Card program responsible for reviewing and settling each transaction original receipts) within 25 calendar days of the transaction's appearance in Chrome River to facilitate the expense posting in Banner. Also a role in the P-Card software. Requirement: P-Card Training and subsequent passing of the certification quiz.

**MasterCard®**—The Purchasing Card (P-Card) brand issued by Bank.

**Monthly Cycle Limit (CL)**—Dollar amount set on a P-Card to regulate charging ability of a Cardholder ,during the billing cycle. The system has a three-tiered system for CL of $7,5000, $10,000, and $15,000. Written justification is required for limits between $15,000 and including $25,000.

**P-Card Administrator**—An employee designated to supervise the system's P-Card Program and direct the activities of UPAY Card Services.

**P-Card Authorization Agreement and Application Information**—A form that must be completed to request the issuance of a P-Card.

**P-Card Exception Request Form**—Document used to obtain approval to use the P-Card for an expense that is normally prohibited or is above a Cardholder's single transaction limit (STL)or monthly cycle limit (CL).

**P-Card Web-based Training**—Online tutorial that must be completed by all individuals who have a role in the P-Card program.

**P-Card Web Solution™**—The software product used for the reconciliation process and to manage and maintain the system P-Card program.

**Prohibited Purchase**—Items or services that are not allowable purchases on the P-Card.

**Reconciliation**—An accounting activity that matches transaction information received from the Bank to the Chrome River.

**Restricted Purchase**—Items or services that are allowable for purchase on the P-Card when corresponding requirements are met and appropriate funding is available

**Single Transaction Limit (STL)** —Dollar amount set on a P-Card to regulate the charging ability of a Cardholder for a purchase. The system maximum single transaction limit is $7,500.

**Transaction**—A unique purchase made with a P-Card that generates a charge record from the Bank against the Cardholder's account and appears in the P-Card software to be reconciled and approved.

**Unit Head**—Also known as Department Head, the employee responsible for making the administrative/financial decisions for the system unit; i.e., the President, Chancellor, Vice Chancellor, Chief Financial Officer, Assistant Vice President (AVP), Dean, Director, Executive Director, and/or Business Manager.

**UPAY Card Services**—Unit designated to administer and oversee the system's P-Card program with the assigned DCM(s).

## Additional Resources

[University Amazon Business](https://www.obfs.uillinois.edu/purchases/university-amazon-business)

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